

PROGRAM SUPPLEMENTS

Budget Summary							
Fund	2002-03 Base Year Doubled	2003-05 Governor	2003-05 Jt. Finance	2003-05 Legislature	2003-05 Act 33	Act 33 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$87,160,200	\$18,575,200	\$18,117,800	\$18,117,800	\$17,613,400	-\$69,546,800	- 79.8%
PR	1,301,600	0	0	0	0	- 1,301,600	- 100.0
SEG	<u>7,950,000</u>	<u>0</u>	<u>15,953,500</u>	<u>15,953,500</u>	<u>0</u>	<u>- 7,950,000</u>	- 100.0
TOTAL	\$96,411,800	\$18,575,200	\$34,071,300	\$34,071,300	\$17,613,400	-\$78,798,400	- 81.7%

FTE Position Summary

There are no authorized positions for Program Supplements.

Budget Change Items

1. REMOVE FUNDING FOR 1999-01 DELAYED PAY ADJUSTMENTS

GPR - \$25,538,600

Governor/Legislature: Delete base funding of \$12,769,300 annually that was included in a sum certain appropriation for compensation and related adjustments that was separate from compensation reserves. This funding was included as a part of the 2001-03 biennial budget to supplement state agencies for the on-going annualized costs of salary and fringe benefit cost increases, other than health insurance, that occurred during the 1999-01 biennial budget, but which were not built into agencies' base budgets for the 2001-03 fiscal biennium because they had an effective date that began after July 2, 2000, and therefore, could not be included in agencies' adjusted base budgets. These funding needs have been incorporated into agencies' adjusted base budgets for 2003-05 and therefore, the separate funding amount is not needed.

2. REMOVE FUNDING FOR 1999-01 PRIOR YEAR HEALTH INSURANCE COSTS

GPR - \$24,428,600

Governor/Legislature: Delete base funding of \$12,214,300 annually that was included in a sum sufficient appropriation for employer fringe benefit costs that was separate from

compensation reserves. This funding was included as a part of the 2001-03 biennial budget to supplement state agencies' GPR appropriations for the employer's share of prior year employee group health insurance premium increases. These increases occurred as a result of the Group Insurance Board's annual premium setting process for health insurance contracts for state employees that determined premium rates for calendar year 2001. Because these increases occurred after the agencies' base budget levels for the purposes of the 2001-03 biennial budget were set, these increased costs were not included in agencies' adjusted base funding levels. These funding needs have been incorporated into agencies' adjusted base budgets for 2003-05 and therefore the separate funding amount is not needed.

3. JOINT COMMITTEE ON FINANCE SUPPLEMENTAL APPROPRIATIONS [LFB Paper 593]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Veto (Chg. to Leg)	Net Change
GPR	- \$2,072,800	\$6,557,600	- \$504,400	\$3,980,400
PR	- 1,301,600	0	0	- 1,301,600
SEG	- 7,950,000	15,953,500	- 15,953,500	- 7,950,000
Total	- \$11,324,400	\$22,511,100	- \$16,457,900	- \$5,271,200

Governor: Reduce base level funding for the Joint Committee on Finance supplemental appropriations by \$1,036,400 GPR, \$650,800 PR and \$3,975,000 SEG annually. These appropriations are established to permit the Committee to supplement state agency appropriations of the same fund source. These reductions reflect the removal of one-time adjusted base funding which was placed in the respective GPR, PR and SEG supplemental appropriations under the 2001-03 budget and reserved for specific funding allocations. [Note: These reserved allocations included funding for such purposes as: (a) fuel and utility cost increases in the Department of Corrections; (b) costs for immunization registries and SeniorCare program startup in the Department of Health and Family Services; (c) funding for the State Hygiene Lab; (d) IT consultant costs in the Department of Regulation and Licensing; and (e) funding for a benefits payment system project in the Department of Employee Trust Funds.] Some or all of these reserved funds have been or will be allocated to the respective indicated state agencies during the 2001-03 biennium. Under the bill, there would be no reserved funds provided in 2003-05 for any purpose. In addition, the GPR reduction also reflects the elimination of unreserved base GPR funding of \$459,200 annually for general supplementation purposes. Therefore, under the bill there would be no GPR funds appropriated to the Joint Committee on Finance for emergency supplementation purposes.

Joint Finance/Legislature: Modify the Governor's provisions as follows:

a. *General GPR reserves for emergency supplementation.* Provide \$352,200 GPR annually in the Committee's GPR appropriation for emergency supplementation of agencies' GPR budgets; and

b. *Specific funding reserves for 2003-05 release by JFC.* Place in the Committee's GPR and SEG supplemental appropriations, reserved for release by the Committee at a later date for the purposes and agencies indicated, the following amounts of funding:

<u>Agency and Purpose</u>	<u>2003-04</u>	<u>2004-05</u>	<u>Fund Source</u>
Elections Board			
HAVA Match Funding	\$133,000	\$0	GPR
Database Conversion	0	100,000	GPR
Employee Trust Funds			
Private Employer HealthCare Coverage Program	\$105,500	\$210,900	GPR
Program Supplements/Administration			
Space Management Supplements	\$1,605,400	\$803,200	GPR
State-Owned Office Rent Supplements	450,800	901,600	GPR
Private Facility Rent Supplements	611,600	931,200	GPR
Transportation			
State Highway Program Cost Review	<u>\$0</u>	<u>\$15,953,500</u>	SEG
Totals	\$2,906,300	\$2,946,900	GPR
	0	15,953,500	SEG
	\$2,906,300	\$18,900,400	Total

Veto by Governor [B-34]: Delete: (a) the \$15,953,500 in 2004-05 from the Committee's supplemental SEG appropriation to leave \$0 in that year; and (b) the provisions requiring the Department of Transportation to submit a report to the Committee regarding costs and operations of the state highway program.

[Act 33 Vetoed Sections: 286 (as it relates to s. 20.865 (4)(u)) and 9153(2x)]

Veto by Governor [D-24]: Reduce the total level of unreserved funding in the Committee's GPR supplemental appropriation by \$252,200 annually (leaving unreserved funding of \$100,000 GPR annually) by deleting from the bill the total (reserved and unreserved) GPR funding in the appropriation of \$3,258,500 in 2003-04 and \$3,299,100 in 2004-05 and writing in, instead, \$3,006,300 for 2003-04 and \$3,046,900 for 2004-05.

[Act 33 Vetoed Section: 286 (as it relates to s. 20.865(4)(a))]

The following table shows the amount of funding, by item, in the Committee's appropriations under Act 33.

**Summary of JFC Appropriation Amounts
Under Act 33**

<u>Agency and Purpose</u>	<u>2003-04</u>	<u>2004-05</u>	<u>Fund Source</u>
Unreserved Funding	\$100,000	\$100,000	GPR
Elections Board			
HAVA Match Funding	\$133,000	\$0	GPR
Database Conversion	0	100,000	GPR
Employee Trust Funds			
Private Employer HealthCare Coverage Program	\$105,500	\$210,900	GPR
Program Supplements/Administration			
Space Management Supplements	\$1,605,400	\$803,200	GPR
State-Owned Office Rent Supplements	450,800	901,600	GPR
Private Facility Rent Supplements	<u>611,600</u>	<u>931,200</u>	GPR
Totals	\$3,006,300	\$3,046,900	GPR

4. RESERVE FOR DOA-DIRECTED MOVES COSTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- \$10,460,000	- \$2,408,600	- \$12,868,600

Governor: Reduce base level funding for the space management and childcare appropriation by \$4,828,900 in 2003-04 and by \$5,631,100 in 2004-05. This appropriation is established to permit the Department of Administration (DOA) to supplement state agencies' GPR appropriations for the cost of moving, or relocating within a state-owned facility, its current office space when such relocation is directed to occur by DOA. Typically, such moves are ordered by DOA to improve usage of state office building space or to accomplish more cost-efficient use of private leased space. Costs that may covered under such directed moves include: (a) increased space costs as a result of the required move; (b) the actual cost of making the physical relocation; (c) other costs associated with the move such as telephone and IT relocations and reconnections; (d) office space remodeling costs at the new location; (e) and any temporary overlapping rent payments. These costs are either one-time in nature or are eventually incorporated into an agency's base budget. The total funding level under the bill for this appropriation would be \$1,605,400 in 2003-04 and \$803,200 in 2004-05.

Joint Finance/Legislature: Transfer \$1,605,400 in 2003-04 and \$803,200 in 2004-05 to the Joint Finance Committee's GPR appropriation, reserved for transfer to this appropriation [see Item #8].

5. STATE-OWNED OFFICE RENT SUPPLEMENTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- \$4,061,800	- \$1,352,400	- \$5,414,200

Governor: Reduce base level funding for state-owned office rent supplements by \$2,256,300 in 2003-04 and by \$1,805,500 in 2004-05. This appropriation is established to permit supplementation of state agencies' GPR appropriations for the increased costs of space that they occupy in state-owned office buildings. The total funding level under the bill for state-owned office rent supplements would be \$450,800 in 2003-04 and \$901,600 in 2004-05.

Joint Finance/Legislature: Transfer \$450,800 in 2003-04 and \$901,600 in 2004-05 to the Joint Finance Committee's GPR appropriation, reserved for transfer to this appropriation [see Item #8].

6. SUPPLEMENTS FOR PRIVATE FACILITY RENTAL INCREASES

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- \$2,000,600	- \$1,542,800	- \$3,543,400

Governor: Reduce base level funding for supplements for private facility rental increases by \$1,160,100 in 2003-04 and by \$840,500 in 2004-05. This appropriation is established to permit supplementation of state agencies' GPR appropriations for the increased costs of privately-leased space that they occupy. The total funding level under the bill for supplements for private facility rental increases would be \$611,600 in 2003-04 and \$931,200 in 2004-05.

Joint Finance/Legislature: Transfer \$611,600 in 2003-04 and \$931,200 in 2004-05 to the Joint Finance Committee's GPR appropriation, reserved for transfer to this appropriation [see Item #8].

7. CONSOLIDATE PRIVATE FACILITY RENTAL INCREASES SUPPLEMENTS AND STATE-OWNED OFFICE RENT SUPPLEMENTS APPROPRIATIONS [LFB Paper 590]

Governor: Combine the recommended funding levels for the private facility rental increases supplements and the state-owned office rent supplements appropriations into a single appropriation. Specify that the amounts in the schedule for this new appropriation would be available to cover costs in excess of budgeted amounts for: (a) rental increases under leases of private facilities occupied by state agencies; and (b) for increased rental rates in state-owned buildings when such rent increases have been approved by the State Building Commission. The Governor's budget book indicates that this consolidation is recommended to help manage

downsizing costs in state agencies as a result of the agency base budget reductions recommended by the Governor.

Joint Finance/Legislature: Delete provision.

8. SPACE SUPPLEMENTS AND DOA STUDY OF STATE OFFICE SPACE

Joint Finance/Legislature: Transfer the GPR monies under the program supplement appropriations for private facility rental increases, state-owned office rent supplements and for space management and child care to the Joint Finance Committee's GPR appropriation. [The fiscal effects of these shifts are shown in items #4, #5 and #6 above] Provide that these funds be placed in reserve for release by the Joint Committee on Finance, upon request from DOA. Specify that any release of these funds is contingent upon DOA first submitting to the Committee an acceptable plan for the centralization of more state agencies or portions of state agencies into state-owned buildings and the reduction of the amount of leased office space occupied by state agencies. Require DOA to conduct a review of the current occupancy of state-owned office buildings and leased state office space, and based upon that review, to develop the required plan. Provide that DOA must provide a report on that review and the required plan to the Joint Committee on Finance by January 1, 2004.

Veto by Governor [D-11]: Delete: (a) all the requirements for the review and plan submittal by DOA regarding state space occupancy; and (b) the provision that the funds placed in the Joint Finance Committee's supplemental appropriation could not be released until the required report has been submitted to the Committee. Under the veto, the funds remain in the Committee's appropriation for release upon request from DOA.

[Act 33 Section: 9130(1q)]

[Act 33 Vetoed Sections: 9101(11q) and 9130(1q)]

9. EXECUTIVE RESIDENCE FURNISHINGS REPLACEMENT ACCOUNT

GPR	- \$22,600
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Governor/Legislature: Reduce base level funding for the annual amount appropriated into the executive residence furnishings replacement account by \$11,300 annually. The annual payment into this account, which is established as a continuing appropriation, is set in each biennial budget bill. This account is established to provide a fund for replacement of furnishings, decorative items and fixtures at the Executive Residence. Expenditures from this account may be made only with the approval of Department of Administration upon a recommendation from the State Capitol and Executive Residence Board. As of January 31, 2003, this account had a balance of \$279,222.

10. FINANCIAL AND PROCUREMENT SERVICES SUPPLEMENTS [LFB Paper 591]

GPR	- \$525,000
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Joint Finance/Legislature: Reduce the funding in the GPR financial and procurement services supplements appropriation by \$262,500 per year to eliminate all supplemental funding for procurement services supplements in 2003-04 and in 2004-05.

11. APPROPRIATION FOR MAINTENANCE OF CAPITOL AND EXECUTIVE RESIDENCE [LFB Paper 592]

GPR	- \$1,186,200
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Joint Finance/Legislature: Reduce the base level funding for this appropriation by 10% each year (-\$593,100 GPR annually) to provide a base budget reduction to this on-going appropriation similar to reductions provided to other state operations appropriations. The amounts provided in this appropriation serve, in effect, as rent payments for the operation and maintenance costs of the capitol and executive residence. These payment amounts are transferred to a single space rental account in DOA that is used to pay for operation and maintenance of all state-owned state office buildings.